



General Assembly

Substitute Bill No. 1

February Session, 2006

* _____SB00001CE_FIN031606_____*

AN ACT CONCERNING JOBS FOR THE 21ST CENTURY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2006*) The executive director of
2 Connecticut Innovations, Incorporated, shall develop a bioscience
3 center of excellence to house laboratory space and seed capital and
4 innovation services under at least one location for the generation of
5 new bioscience companies, including companies conducting
6 embryonic stem cell research, as defined in section 19a-32d of the 2006
7 supplement to the general statutes. The executive director, in
8 consultation with the board of directors of Connecticut Innovations,
9 Incorporated, shall select a nonprofit entity or institution of public
10 education located in the state to manage the facility. Any plan
11 submitted by the entity or institution awarded a contract pursuant to
12 this section shall: (1) Include a memoranda of agreement showing
13 collaboration with an institution of higher education located in the
14 state and an eligible institution, as defined in said section 19a-32d; (2)
15 strategies for pursuing research associated with identified needs in the
16 marketplace, developing and securing patents and other protections of
17 intellectual property, and bringing patented and other results of on-
18 site research to market; and (3) strategies for recruiting research faculty
19 and scientists who have demonstrated excellence in their field of
20 research and expressed interest in working collaboratively with other
21 scientists and entities or institutions in the pursuit of the

22 commercialization of research. In order to receive a contract, an eligible
23 entity or institution shall submit a plan for the expenditure of awarded
24 funds, in accordance with this section, to Connecticut Innovations,
25 Incorporated, at such time and in such manner as the executive
26 director prescribes.

27 Sec. 2. (*Effective July 1, 2006*) (a) For the purposes described in
28 subsection (b) of this section, the State Bond Commission shall have
29 the power, from time to time, to authorize the issuance of bonds of the
30 state in one or more series and in principal amounts not exceeding in
31 the aggregate thirty million dollars.

32 (b) The proceeds of the sale of said bonds, to the extent of the
33 amount stated in subsection (a) of this section, shall be deposited and
34 used by Connecticut Innovations, Incorporated, for the purpose of the
35 bioscience center of excellence authorized under section 1 of this act.

36 (c) All provisions of section 3-20 of the general statutes, or the
37 exercise of any right or power granted thereby, which are not
38 inconsistent with the provisions of this section are hereby adopted and
39 shall apply to all bonds authorized by the State Bond Commission
40 pursuant to this section, and temporary notes in anticipation of the
41 money to be derived from the sale of any such bonds so authorized
42 may be issued in accordance with said section 3-20 and from time to
43 time renewed. Such bonds shall mature at such time or times not
44 exceeding twenty years from their respective dates as may be provided
45 in or pursuant to the resolution or resolutions of the State Bond
46 Commission authorizing such bonds. None of said bonds shall be
47 authorized except upon a finding by the State Bond Commission that
48 there has been filed with it a request for such authorization which is
49 signed by or on behalf of the Secretary of the Office of Policy and
50 Management and states such terms and conditions as said commission,
51 in its discretion, may require. Said bonds issued pursuant to this
52 section shall be general obligations of the state and the full faith and
53 credit of the state of Connecticut are pledged for the payment of the
54 principal of and interest on said bonds as the same become due, and

55 accordingly and as part of the contract of the state with the holders of
56 said bonds, appropriation of all amounts necessary for punctual
57 payment of such principal and interest is hereby made, and the State
58 Treasurer shall pay such principal and interest as the same become
59 due.

60 Sec. 3. (NEW) (*Effective July 1, 2006*) (a) The Board of Trustees of The
61 University of Connecticut shall develop a program to recruit eminent
62 faculty and their research staff to the university. Recruitments shall be
63 made to support economic development in the state and to promote
64 core competency areas by accelerating the pace of applied research and
65 development. Eligibility shall be limited to scientists who have
66 demonstrated excellence in their field of research and have an interest
67 in working collaboratively with other scientists at the university and
68 an interest in commercialization of their research.

69 (b) The board of trustees shall not expend more than two million
70 dollars for an individual recruitment. No funds shall be expended
71 under this section unless there are matching funds from industry or
72 other sources.

73 Sec. 4. (NEW) (*Effective July 1, 2006*) There is established a Center for
74 Entrepreneurship at The University of Connecticut. The purpose of the
75 center shall be to train the next generation of entrepreneurs in an
76 experiential manner that would assist businesses in the state today.
77 This center shall (1) develop an entrepreneurial program that trains
78 faculty and student inventors in commercialization and business issues
79 and that generates business opportunities; (2) expand the accelerator
80 program of the school of business to provide innovations services to
81 technology-based companies using a proven model of faculty and
82 students working with companies on real time solutions to the
83 company's business problems; (3) establish an intellectual property law
84 clinic, in conjunction with the law school. The accelerator program and
85 the law clinic shall be colocated with the Connecticut Center for
86 Advanced Technology in the Hartford area to leverage resources.

87 Sec. 5. (NEW) (*Effective July 1, 2006*) (a) There is established an
88 account to be known as the center for entrepreneurship account, which
89 shall be a separate, nonlapsing account within the General Fund. The
90 account shall contain any moneys invested pursuant to the provisions
91 of this section. The account shall contain all moneys required by law to
92 be deposited in the account and shall be held separate and apart from
93 all other money, funds and accounts. Investment earnings from any
94 moneys in the account shall be credited to the account and shall
95 become part of the assets of the account. Any balance remaining in the
96 account at the end of any fiscal year shall not lapse and shall be
97 available for use for the fiscal year next succeeding.

98 (b) The University of Connecticut may use funds from the account
99 to provide grants under section 4 of this act, except that not more than
100 two million dollars shall be used for such purpose in any fiscal year.

101 Sec. 6. (NEW) (*Effective July 1, 2006*) (a) As used in this section
102 "corporation" means Connecticut Innovations, Incorporated.

103 (b) There is established a collaborative research grant program to be
104 administered by Connecticut Innovations, Incorporated, for the
105 purpose of advancing the commercialization of technologies being
106 discovered at the research universities and at industry labs. Grants
107 shall be made to promote collaborative research among research
108 universities and industry and shall be used (1) to improve technology
109 infrastructure by advancing the development of shared use between
110 institutions of higher education and business entities of laboratories
111 and equipment, including, but not limited to, technology purchase,
112 lease and installation, operating and necessary support personnel and
113 maintenance; and (2) as matching grants for joint projects between an
114 industry, a technology focused organization or a university.

115 (c) The corporation shall structure the matching grants to provide
116 two rounds of funding annually and shall do outreach to inform
117 eligible companies about the program. Such outreach shall include an
118 aggressive marketing campaign through business organizations to

119 raise industry awareness of resources from universities or technology
120 focused organizations. Matching grants shall be awarded through a
121 competitive process with outside reviewers applying key criteria to
122 determine if (1) a proposal demonstrates commercial relevance, (2)
123 there is a clear path to the marketplace for innovations developed in
124 the course of the research. Matching grants shall not exceed one
125 hundred fifty thousand dollars, and an in-kind match shall be allowed
126 for small and mid-sized companies.

127 Sec. 7. (NEW) (*Effective July 1, 2006*) (a) There is established an
128 account to be known as the collaborative research account, which shall
129 be a separate, nonlapsing account within the General Fund. The
130 account shall contain any moneys invested pursuant to the provisions
131 of this section. The account shall contain all moneys required by law to
132 be deposited in the account and shall be held separate and apart from
133 all other money, funds and accounts. Investment earnings from any
134 moneys in the account shall be credited to the account and shall
135 become part of the assets of the account. Any balance remaining in the
136 account at the end of any fiscal year shall not lapse and shall be
137 available for use for the fiscal year next succeeding.

138 (b) Connecticut Innovations, Incorporated, may use funds from the
139 account to provide grants under section 6 of this act.

140 Sec. 8. (NEW) (*Effective July 1, 2006*) There is established a program
141 to be administered by Connecticut Innovations, Incorporated, to
142 provide funding to early stage companies to support linkages to
143 faculty, students, technology commercialization and entrepreneurship
144 programs at The University of Connecticut to leverage the capacity of
145 the center and its client companies. Not less than one-third of funds
146 awarded for this section will be provided as pre-seed and seed
147 funding.

148 Sec. 9. (NEW) (*Effective July 1, 2006*) (a) There is established an
149 account to be known as the early stage account, which shall be a
150 separate, nonlapsing account within the General Fund. The account

151 shall contain all moneys required by law to be deposited in the account
152 and shall be held separate and apart from all other money, funds and
153 accounts. Investment earnings from any moneys in the account shall
154 be credited to the account and shall become part of the assets of the
155 account. Any balance remaining in the account at the end of any fiscal
156 year shall not lapse and shall be available for use for the fiscal year
157 next succeeding.

158 (b) Connecticut Innovations, Incorporated, may use funds from the
159 account to provide grants under section 8 of this act.

160 Sec. 10. (NEW) (*Effective July 1, 2006*) (a) As used in this section,
161 "incubator" means a program offering space, unique technical
162 resources and business support services and "corporation" means
163 Connecticut Innovations, Incorporated.

164 (b) There is established a program to be administered by
165 Connecticut Innovations, Incorporated, to provide funding to small
166 business incubators to increase the success rate of such incubators in
167 the state.

168 (c) Grants awarded under this section may be used for (1) feasibility
169 studies, physical development and other capital costs for new and
170 existing incubation space, not exceeding, and (2) investments or below
171 market loans to incubators or incubator businesses for working capital
172 and other operating needs. The amounts expended in any fiscal year
173 shall not exceed two million dollars for the purposes of subdivision (1)
174 of this subsection and three million dollars for the purposes of
175 subdivision (2) of this subsection.

176 Sec. 11. (NEW) (*Effective July 1, 2006*) (a) There is established an
177 account to be known as the incubator account, which shall be a
178 separate, nonlapsing account within the General Fund. The account
179 shall contain all moneys required by law to be deposited in the account
180 and shall be held separate and apart from all other money, funds and
181 accounts. Investment earnings from any moneys in the account shall

182 be credited to the account and shall become part of the assets of the
183 account. Any balance remaining in the account at the end of any fiscal
184 year shall not lapse and shall be available for use for the fiscal year
185 next succeeding.

186 (b) Connecticut Innovations, Incorporated, may use funds from the
187 account to provide grants under section 10 of this act.

188 Sec. 12. (NEW) (*Effective July 1, 2006*) (a) As used in this section:

189 (1) "Corporation" means the Connecticut Innovations, Incorporated;

190 (2) "Small business" means a corporation, limited liability company,
191 partnership, sole proprietorship or individual, operating a business
192 for-profit, which employs five hundred or fewer employees, including
193 employees employed in any subsidiary or affiliated corporation;

194 (3) "Small business innovation research program" means the federal
195 program established pursuant to the Small Business Innovation
196 Development Act of 1982 (P.L. 97-219), as amended, which provides
197 funds to small businesses to conduct innovative research which has
198 potential commercial applications; and

199 (4) "Small business technology transfer program" means the federal
200 program established pursuant to the Small Business Research and
201 Development Enhancement Act of 1992 (P.L. 102-564), as amended,
202 which provides funds to small businesses that collaborate with
203 nonprofit research institutions to conduct innovative research which
204 has potential commercial applications.

205 (b) Connecticut Innovations, Incorporated, shall establish a
206 development, research and economic assistance matching grant
207 program for small businesses which have received federal funds under
208 the small business innovation research program and the small business
209 technology transfer program. Any small business receiving a grant
210 under this section may use such grant for the same purpose such small
211 business was awarded federal funds under said small business

212 innovation research program.

213 (c) Applications shall be submitted to the corporation at such times
214 and on such forms as the corporation may prescribe. Each such
215 application shall include the following: (1) The location of the principal
216 place of business of the applicant; (2) an explanation of the intended
217 use of the funding being applied for; and (3) such other information
218 that the corporation deems necessary. Information contained in any
219 such application submitted to the corporation under this section which
220 is of a proprietary nature shall be exempt from the provisions of
221 subsection (a) of section 1-210 of the 2006 supplement to the general
222 statutes.

223 (d) In determining whether an applicant shall be selected for
224 funding pursuant to this section, the corporation shall consider, but
225 such consideration need not be limited to, the following factors: (1) The
226 description of the small business innovation research project; and (2)
227 evidence of satisfactory participation in the applicable small business
228 innovation research program.

229 (e) The corporation shall adopt written procedures, in accordance
230 with the provisions of section 1-121 of the general statutes to carry out
231 the provisions of this section.

232 Sec. 13. (NEW) (*Effective July 1, 2006*) (a) There is established within
233 the Connecticut Development Authority a technology
234 commercialization program for the purpose of providing financing, in
235 the form of equity investments, below market rate loans, or loan
236 guarantees to develop technology space and facilities to house
237 emerging technology-based companies in Connecticut.

238 (b) The Connecticut Development Authority shall develop criteria
239 for the purposes of the program established in subsection (a) of this
240 section and shall establish other programs targeted to emerging
241 technology companies.

242 Sec. 14. (NEW) (*Effective July 1, 2006*) On or before January 1, 2008,

243 and annually thereafter, The University of Connecticut shall submit a
244 report to the joint standing committee of the General Assembly having
245 cognizance of matters relating to economic development on the
246 eminent faculty recruitment program established pursuant to section 3
247 of this act, and the Center for Entrepreneurship established pursuant
248 to sections 4 and 5 of this act. Such report shall include, but not be
249 limited to, an evaluation of such programs based on the following
250 metrics: Dollars leveraged by state funding, patents issued,
251 publications and invention disclosures, companies created, student
252 work experience and college graduate retention, world class
253 researchers attracted to the state, wealth generation, national and
254 international prominence in research in core competency areas.

255 Sec. 15. (NEW) (*Effective July 1, 2006*) On or before January 1, 2008,
256 and annually thereafter Connecticut Innovations, Incorporated, shall
257 submit a report to the joint standing committee of the General
258 Assembly having cognizance of matters relating to economic
259 development on (1) the collaborative research grant program
260 established pursuant to sections 6 and 7 of this act, (2) the early stage
261 program established pursuant to sections 8 and 9 of this act, (3) the
262 incubator program established pursuant to sections 10 and 11 of this
263 act, and (4) the development, research and economic assistance
264 matching grant program established pursuant to section 12 of this act.
265 Such report shall include, but not be limited to, an evaluation of such
266 programs based on the following metrics: Dollars leveraged by state
267 funding, patents issued, publications and invention disclosures,
268 companies created, student work experience and college graduate
269 retention, world class researchers attracted to the state, wealth
270 generation, national and international prominence in research in core
271 competency areas.

272 Sec. 16. (NEW) (*Effective July 1, 2006*) On or before January 1, 2008,
273 and annually thereafter the Connecticut Development Authority shall
274 submit a report to the joint standing committee of the General
275 Assembly having cognizance of matters relating to economic

276 development on the program established pursuant to section 13 of this
277 act. Such report shall include, but not be limited to, an evaluation of
278 such program based on the following metrics: Dollars leveraged by
279 state funding, patents issued, publications and invention disclosures,
280 companies created, student work experience and college graduate
281 retention, world class researchers attracted to the state, wealth
282 generation, national and international prominence in research in core
283 competency areas.

284 Sec. 17. (NEW) (*Effective from passage*) (a) There is established a Blue
285 Ribbon Commission on Economic Development to (1) oversee the
286 development of an outline for economic development planning in the
287 state and the preparation of a strategic economic development plan,
288 and (2) evaluate and make recommendations for a restructured
289 economic development delivery system. On or before February 1, 2007,
290 said commission shall make a final report of their findings and
291 recommendations to the Governor and the joint standing committee of
292 the General Assembly having cognizance of matters relating to
293 economic and community development, in accordance with the
294 provisions of section 11-4a of the general statutes.

295 (b) The members of said commission shall consist of the following
296 members: The Governor, the Secretary of Commerce, and the Secretary
297 of the Office of Policy and Management, or their designees; the
298 Commissioner of Economic and Community Development, or the
299 successor of the commissioner; the cochairpersons and ranking
300 members of the joint standing committee of the General Assembly
301 having cognizance of matters relating to economic and community
302 development; one member of the collective bargaining unit
303 representing a majority of the employees of the Department of
304 Economic and Community Development, or its successor department;
305 one member appointed by the Governor who shall be a professional
306 economic developer at a local or regional level, and shall be selected
307 from a list submitted by the Connecticut Economic Development
308 Association; six members from the private sector, two of whom shall

309 be appointed by the Governor, one by the president pro tempore of the
310 Senate, one by the speaker of the House of Representatives, one by the
311 minority leader of the Senate and one by the minority leader of the
312 House of Representatives; three members jointly appointed by the
313 cochairpersons of the joint standing committee of the General
314 Assembly having cognizance of matters relating to economic
315 development and one member jointly appointed by the ranking
316 members of said committee. In making appointments to the
317 commission, the appointing authority shall, to the extent feasible,
318 assure broad geographical representation as well as representation
319 from the major sectors of economic base industries in the state and
320 labor and shall appoint persons with a knowledge of the problems of
321 large and small businesses, local economic development and the
322 transfer of research and development from the laboratory to the
323 market place.

324 (c) The Governor shall serve as chairperson of the commission. The
325 commission shall biennially elect one of its members as vice-
326 chairperson. Members of the commission shall serve without
327 compensation, but may be reimbursed for all necessary expenses
328 incurred in the performance of their duties, as determined by the
329 commission.

330 Sec. 18. (NEW) (*Effective from passage*) (a) The Blue Ribbon
331 Commission on Economic Development shall assess the economic
332 development competitiveness of the state against the economic
333 development competitiveness of other business locations. Such
334 assessment shall include an evaluation of economic development
335 strengths and weaknesses of the state. Information from the
336 assessment shall be incorporated into a long-term economic
337 development strategic plan prepared in accordance with the
338 provisions of this section.

339 (b) (1) In developing the plan the commission shall:

340 (A) Consider local and economic development district plans and

341 ensure, to the maximum extent practicable, that the state plan is
342 consistent with the local and economic development district plans;

343 (B) Identify any inconsistencies between the state plan and local and
344 economic development district plans and determines reasons for such
345 inconsistencies;

346 (C) Evaluate the economic diversity of the state and its regions and
347 their associated industrial clusters and develop policies and programs
348 to further their development and retention;

349 (D) Identify business sectors in the state that are of current or future
350 importance to the growth of the state's economy and to its global
351 competitive position; and

352 (E) Evaluate technology-based business development that results in
353 business formation, expansion, recruitment and retention.

354 (2) In overseeing the outline of an economic development planning
355 process the commission shall incorporate the following:

356 (A) An analysis of economic and community development problems
357 and opportunities and shall include relevant material or suggestions
358 from other government-sponsored or supported plans;

359 (B) Background and history of the economic development in the
360 state, including the background and history of the economy,
361 geography, population, labor force, resources and the environment;

362 (C) An analysis of community participation in the planning efforts
363 for the strategy;

364 (D) Goals and objectives for (i) taking advantage of the
365 opportunities in the state, and (ii) solving the economic development
366 problems of the state;

367 (E) A plan of action, including suggested projects to implement the
368 goals and objectives set forth in subparagraph (D) of this subdivision;

369 and

370 (F) Outcome-based performance measures to determine if such
371 goals and objectives have been met.

372 Sec. 19. (NEW) (*Effective from passage*) (a) In evaluating and making
373 recommendations for a restructured economic development delivery
374 system, the Blue Ribbon Commission on Economic Development shall
375 consider the establishment of a principal economic development
376 organization for the state to be the lead agency for (1) the
377 establishment of a unified approach for international trade and foreign
378 direct investment, (2) the marketing of the state as a pro-business
379 location for potential new investment, and (3) the retention and
380 expansion of existing businesses and the creation of new businesses.

381 (b) (1) The restructured economic development delivery system
382 shall include specific programs or strategies that address the creation,
383 expansion and retention of business in the state; the development of
384 import and export trade and the recruitment of world wide business;
385 the establishment, implementation and management of policies,
386 strategies and programs that promote business formation, expansion,
387 recruitment and retention through aggressive marketing and
388 international development and export assistance, collectively leading
389 to an increase in jobs and jobs with higher wages for all geographic
390 regions, communities and residents of the state. The recommendations
391 shall identify gaps in the development and delivery of policies,
392 strategies and programs and shall seek to avoid duplication by
393 coordinating and collaborating with local governments, community
394 and regional economic development organizations and other economic
395 and workforce development entities, both public and private.

396 (2) The restructured economic delivery system shall (A) facilitate
397 strategic planning of economic development and financing and
398 coordination of service delivery by establishing linkages with
399 appropriate local and regional economic development agencies; (B)
400 provide for the periodic preparation, amendment and adoption of a

401 long-term strategic plan for economic development for the state by an
402 entity that shall be representative of the economic interests of the state;
403 and (C) include opportunities for participation by public officials,
404 community leaders, private individuals, business leaders, labor
405 groups, minorities and others who can contribute to and benefit from
406 improved economic development in the state.

407 (3) The restructured economic delivery system shall provide the
408 following:

409 (A) An analysis of economic and community development problems
410 and opportunities and shall include relevant material or suggestions
411 from other government-sponsored or supported plans;

412 (B) Background and history of the economic development in the
413 state, including the background and history of the economy,
414 geography, population, labor force, resources and the environment;

415 (C) An analysis of community participation in the planning efforts
416 for the strategy;

417 (D) Goals and objectives for (i) taking advantage of the
418 opportunities in the state, and (ii) solving the economic development
419 problems of the state;

420 (E) A plan of action, including suggested projects to implement the
421 goals and objectives set forth in subparagraph (D) of this subdivision;
422 and

423 (F) Outcome-based performance measures to determine if such
424 goals and objectives have been met.

425 Sec. 20. (NEW) (*Effective July 1, 2006*) There shall be an Office of
426 Commerce which shall be in the office of the Governor. The head of
427 the Office of Commerce shall be the Secretary of Commerce, who shall
428 be appointed by the Governor. The secretary shall, in conjunction with
429 heads of other state agencies, ensure that policies and programs,

430 identified in the long-term economic development strategic plan
431 prepared under section 18 of this act, and other policies and programs
432 otherwise impacting economic growth in the state are consistently
433 implemented by all state agencies, support economic growth and
434 further the goals established in such plan.

435 Sec. 21. Section 16a-27 of the 2006 supplement to the general statutes
436 is repealed and the following is substituted in lieu thereof (*Effective July*
437 *1, 2006*):

438 (a) The secretary, after consultation with all appropriate state,
439 regional and local agencies and other appropriate persons, shall prior
440 to March 1, 2009, complete a revision of the existing plan and enlarge it
441 to include, but not be limited to, policies relating to transportation,
442 energy and air. Any revision made after May 15, 1991, shall identify
443 the major transportation proposals, including proposals for mass
444 transit, contained in the master transportation plan prepared pursuant
445 to section 13b-15. Any revision made after July 1, 1995, shall take into
446 consideration the conservation and development of greenways that
447 have been designated by municipalities and shall recommend that
448 state agencies coordinate their efforts to support the development of a
449 state-wide greenways system. The Commissioner of Environmental
450 Protection shall identify state-owned land for inclusion in the plan as
451 potential components of a state greenways system.

452 (b) Any revision made after August 20, 2003, shall take into account
453 (1) economic and community development needs and patterns of
454 commerce, and (2) linkages of affordable housing objectives and land
455 use objectives with transportation systems.

456 (c) Any revision made after March 1, 2006, shall (1) take into
457 consideration risks associated with natural hazards, including, but not
458 limited to, flooding, high winds and wildfires; (2) identify the potential
459 impacts of natural hazards on infrastructure and property; and (3)
460 make recommendations for the siting of future infrastructure and
461 property development to minimize the use of areas prone to natural

462 hazards, including, but not limited to, flooding, high winds and
463 wildfires.

464 (d) Any revision after July 1, 2005, shall describe the progress
465 towards achievement of the goals and objectives established in the
466 previously adopted state plan of conservation and development and
467 shall identify (1) areas where it is prudent and feasible (A) to have
468 compact, transit accessible, pedestrian-oriented mixed-use
469 development patterns and land reuse, and (B) to promote such
470 development patterns and land reuse, (2) priority funding areas
471 designated under section 16a-35c, and (3) corridor management areas
472 on either side of a limited access highway or a rail line. In designating
473 corridor management areas, the secretary shall make
474 recommendations that (A) promote land use and transportation
475 options to reduce the growth of traffic congestion; (B) connect
476 infrastructure and other development decisions; (C) promote
477 development that minimizes the cost of new infrastructure facilities
478 and maximizes the use of existing infrastructure facilities; and (D)
479 increase intermunicipal and regional cooperation.

480 (e) Any revision after adoption of the plan prepared under section
481 18 of this act, shall be consistent with the long-term economic
482 development strategic plan prepared pursuant to said section 18.

483 [(e)] (f) Thereafter on or before March first in each revision year the
484 secretary shall complete a revision of the plan of conservation and
485 development.

486 Sec. 22. Section 32-1b of the general statutes is repealed and the
487 following is substituted in lieu thereof (*Effective July 1, 2006*):

488 (a) There is established a Department of [Economic and Community
489 Development] Business, Employment and Housing. The department
490 head shall be the Commissioner of [Economic and Community
491 Development] Business, Employment and Housing, who shall be
492 appointed by the Governor in accordance with the provisions of

493 sections 4-5 to 4-8, inclusive, with the powers and duties prescribed in
 494 said sections 4-5 to 4-8, inclusive.

495 [(b) Said department shall constitute a successor department to the
 496 Department of Housing in accordance with the provisions of sections
 497 4-38d, 4-38e and 4-39.]

498 [(c)] (b) Said department shall constitute a successor department to
 499 the Department of Economic and Community Development in
 500 accordance with the provisions of sections 4-38d, 4-38e and 4-39.

501 [(d)] (c) (1) Whenever the term ["Commissioner of Housing"]
 502 "Commissioner of Economic and Community Development" is used or
 503 referred to in the following sections of the general statutes or the 2006
 504 supplement to the general statutes, the term ["Commissioner of
 505 Economic and Community Development"] "Commissioner of Business,
 506 Employment and Housing" shall be substituted in lieu thereof: 3-20, 4-
 507 5, 4-66a, 4-66c, 4-124z, 4-124ff, 4a-57b, 4a-60g, 4a-61, 4b-21, 4b-66a,
 508 7-137b, 7-392, 7-546, 7-578, 8-30g, 8-37i, 8-37k, 8-37r, 8-37s, 8-37t,
 509 8-37u, 8-37v, 8-37w, 8-37x, 8-37y, 8-37z, 8-37ll, 8-37pp, 8-37qq, 8-
 510 37rr, 8-37vv, 8-37ww, 8-39, 8-44a, 8-45, 8-45b, 8-47, 8-49, 8-57, 8-
 511 64a, 8-68, 8-68a, 8-68b, 8-68c, 8-68d, 8-68e, 8-68f, 8-68g, 8-68h, 8-
 512 68j, 8-70, 8-71, 8-72, 8-72a, 8-73, 8-74, 8-76, 8-76a, 8-77, 8-79, 8-79a,
 513 8-80, 8-81a, 8-82, 8-83, 8-84, 8-85, 8-87, 8-89, 8-92, 8-113a, 8-114a, 8-
 514 114d, 8-115a, 8-116a, 8-117b, 8-118a, 8-118b, 8-118c, 8-119a, 8-119c,
 515 8-119f, 8-119h, 8-119i, 8-119j, 8-119k, 8-119l, 8-119m, 8-119n, 8-
 516 119t, 8-119x, 8-119dd, 8-119ee, 8-119ff, 8-119gg, 8-119hh, 8-119jj,
 517 8-119kk, 8-119zz, 8-121, 8-154a, 8-154c, 8-154e, 8-155, 8-161, 8-162,
 518 8-169b, 8-169w, 8-170, 8-187, 8-206, 8-206a, 8-206d, 8-206e, 8-208,
 519 8-208b, 8-209, 8-214a, 8-214b, 8-214d, 8-214e, 8-214f, 8-214g, 8-
 520 214h, 8-215, 8-216, 8-216b, 8-216c, 8-218, 8-218a, 8-218b, 8-218c, 8-
 521 218e, 8-218h, 8-219a, 8-219b, 8-219c, 8-219d, 8-219e, 8-220, 8-220a,
 522 8-239a, 8-240m, 8-244, 8-271, 8-272, 8-273, 8-274, 8-278, 8-279, 8-
 523 280, 8-284, 8-336, 8-336f, 8-336m, 8-336p, 8-355, 8-356, 8-357, 8-359,

524 8-361, 8-365, 8-367, 8-367a, 8-376, 8-378, 8-381, 8-384, 8-385, 8-386,
 525 8-387, 8-388, 8-389, 8-400, 8-401, 8-404, 8-405, 8-410, 8-411, 8-412,
 526 8-415, 8-418, 8-420, 8-423, 8-430, 8-438, 10-20d, 10-416, 10a-12a,
 527 10a-72c, 10a-103, 10a-170b, 12-81, 12-81r, 12-81aa, 12-217n, 12-
 528 217u, 12-263m, 12-631, 15-101mm, 16-19e, 16-261a, 16a-14a, 16a-
 529 35c, 16a-38, 16a-40, 16a-40b, 16a-40j, 16a-40k, 17a-54a, 17a-485b,
 530 17b-337, 17b-347e, 17b-748, 21-70a, 21a-195a, 22-54s, 22-63, 22a-
 531 133m, 22a-133u, 22a-172, 22a-241, 22a-261, 23-10i, 23-102, 25-33a,
 532 25-33b, 25-109q, 29-271, 31-3c, 31-3u, 31-3w, 31-11aa, 31-362b, 31-
 533 362d, 31-386, 31-389, 31-390, 32-1b, 32-1c, 32-1d, 32-1e, 32-1f, 32-
 534 1k, 32-1m, 32-1n, 32-4b, 32-4f, 32-4g, 32-4h, 32-5a, 32-5b, 32-6a, 32-
 535 6i, 32-6j, 32-6k, 32-6l, 32-7, 32-7e, 32-8b, 32-9i, 32-9j, 32-9n, 32-9p,
 536 32-9q, 32-9t, 32-9tt, 32-9uu, 32-11a, 32-23d, 32-23o, 32-23x, 32-35,
 537 32-39, 32-40, 32-41q, 32-41s, 32-47a, 32-57, 32-58, 32-59, 32-70, 32-
 538 70a, 32-70b, 32-70d, 32-70e, 32-75, 32-75a, 32-75c, 32-76, 32-80, 32-
 539 96, 32-180, 32-222, 32-228, 32-238, 32-240, 32-242, 32-242a, 32-245,
 540 32-290, 32-290a, 32-315, 32-327, 32-342, 32-348, 32-349, 32-350, 32-
 541 353, 32-450, 32-476, 32-479, 32-500, 32-505, 32-511, 32-616, 32-700,
 542 32-717, 36b-21, 38a-88a, 38a-88b, 42-125l, 47-88b, 47-288, 47-294,
 543 47-295, 47a-56i, 47a-56j, and 47a-56k.

544 (2) Whenever the term ["Department of Housing"] "Department of
 545 Economic and Community Development" is used or referred to in the
 546 following sections of the general statutes or the 2006 supplement to the
 547 general statutes, the term ["Department of Economic and Community
 548 Development"] "Department of Business, Employment and Housing"
 549 shall be substituted in lieu thereof: 2c-2b, 4-38c, 4-66c, 4-168a, 7-136e, 7-
 550 136f, 7-392, 8-37i, 8-37k, 8-37o, 8-37r, 8-37t, 8-37x, 8-37y, 8-37aa, 8-37bb,
 551 8-37ff, 8-37jj, 8-37kk, 8-37pp, 8-37qq, 8-37tt, 8-37uu, 8-68j, 8-78, 8-119ll,
 552 8-163, 8-166, 8-167, 8-169w, 8-206, 8-206d, 8-208b, 8-214a, 8-214e, 8-
 553 216c, 8-218, 8-239a, 8-240m, 8-243, 8-265p, 8-265w, 8-265oo, 8-281, 8-
 554 284, 8-286, 8-336f, 8-336m, 8-336p, 8-367, 8-402, 8-403, 8-430, 10-373bb,
 555 10-417, 12-3f, 12-81, 12-263m, 13b-38a, 13b-51b, 13b-57d, 13b-57e, 13b-

556 57g, 15-101pp, 16-50j, 16a-35c, 16a-41, 17a-3, 17a-471b, 17a-471c, 17a-
 557 485c, 17b-337, 17b-347e, 21-70, 21-84a, 22-26cc, 22-455, 22a-1d, 22a-6r,
 558 22a-241, 31-3b, 31-3u, 31-3dd, 31-362g, 32-1b, 32-1c, 32-1e, 32-1f, 32-1g,
 559 32-1k, 32-1m, 32-1n, 32-4a, 32-4h, 32-5a, 32-5b, 32-6, 32-6k, 32-8a, 32-9c,
 560 32-9i, 32-9j, 32-9n, 32-9q, 32-9t, 32-9qq, 32-11a, 32-16, 32-22, 32-23c, 32-
 561 23d, 32-23o, 32-23t, 32-23v, 32-23x, 32-23ii, 32-23ll, 32-23qq, 32-23ss, 32-
 562 35, 32-47a, 32-58, 32-59, 32-70, 32-96, 32-98, 32-100, 32-180, 32-182, 32-
 563 222, 32-222a, 32-228, 32-235, 32-236, 32-241, 32-242, 32-244, 32-244a, 32-
 564 245, 32-246, 32-261, 32-262, 32-265, 32-284, 32-285, 32-291, 32-329, 32-
 565 348, 32-349, 32-454, 32-462, 32-462a, 32-480, 32-500, 32-501, 32-502, 32-
 566 511, 32-614, 32-616, 32-701.

567 [(e) Whenever the term "Commissioner of Economic Development"
 568 is used or referred to in the general statutes, the term "Commissioner
 569 of Economic and Community Development" shall be substituted in
 570 lieu thereof. Whenever the term "Department of Economic
 571 Development" is used or referred to in the general statutes, the term
 572 "Department of Economic and Community Development" shall be
 573 substituted in lieu thereof.]

574 [(f)] (d) If the term "Commissioner of Housing" or "Commissioner of
 575 Economic Development" is used or referred to in any public or special
 576 act of 1995 or 1996, or in any section of the general statutes which is
 577 amended in 1995 or 1996, it shall be deemed to mean or refer to the
 578 "Commissioner of Economic and Community Development".

579 [(g)] (e) If the term "Department of Housing" or "Department of
 580 Economic Development" is used or referred to in any public or special
 581 act of 1995 or 1996, or in any section of the general statutes which is
 582 amended in 1995 or 1996, it shall be deemed to mean or refer to the
 583 "Department of Economic and Community Development".

584 (f) If the term "Commissioner of Economic and Community
 585 Development" is used or referred to in any public or special act of 2005
 586 or 2006, or in any section of the general statutes which is amended in
 587 2005 or 2006, it shall be deemed to mean or refer to the "Commissioner

588 of Business, Employment and Housing".

589 (g) If the term "Department of Economic and Community
590 Development" is used or referred to in any public or special act of 2005
591 or 2006, or in any section of the general statutes which is amended in
592 2005 or 2006, it shall be deemed to mean or refer to the "Department of
593 Business, Employment and Housing".

594 Sec. 23. Section 32-505 of the general statutes is repealed and the
595 following is substituted in lieu thereof (*Effective July 1, 2006*):

596 (a) There shall be, within the Department of Business, Employment
597 and Housing, an Office of National and International Commerce
598 which shall be responsible for (1) marketing the state as a place to live,
599 work and do business; (2) providing information, assistance and
600 support to businesses considering locating in the state; (3) working
601 with businesses looking to expand in Connecticut or considering
602 relocating to or expanding in other states; and (4) encouraging trade
603 between this state and foreign nations.

604 [(a)] (b) The Commissioner of [Economic and Community
605 Development] Business, Employment and Housing may retain trade
606 representatives in foreign countries to assist Connecticut businesses in
607 finding (1) export customers, agents and distributors, and (2) foreign
608 companies to invest in Connecticut.

609 [(b)] (c) The commissioner shall, within available resources,
610 establish an international trade representative program to assist
611 Connecticut businesses in exporting their products to foreign markets.
612 On or before October 1, 1994, the commissioner shall establish a
613 registration process for businesses interested in participating in the
614 program. Such process shall include, but not be limited to, a
615 requirement that the business agree to pay, over a three-year period
616 beginning on the date of execution of a contract for an export sale, a
617 success fee of not more than three per cent of the price of the products
618 being sold under such transaction, excluding freight, handling and

619 insurance charges. The department shall deposit such fees in the
620 account established by section 32-504.

621 ~~[(c)]~~ (d) The commissioner shall keep a separate accounting of all
622 fees paid from such program and use such accounting as a
623 measurement of export sales achieved through the program. The
624 commissioner may utilize the services of an impartial third party to
625 monitor the sales of program participants.

626 Sec. 24. Subdivision (72) of section 12-81 of the 2006 supplement to
627 the general statutes is repealed and the following is substituted in lieu
628 thereof (*Effective October 1, 2006, and applicable to assessment years*
629 *commencing on or after October 1, 2007*):

630 (72) (A) Effective for assessment years commencing on or after
631 October 1, 2002, but before the assessment year commencing on
632 October 1, 2007, new machinery and equipment, as defined in this
633 subdivision, acquired after October 1, 1990, and newly-acquired
634 machinery and equipment, as defined in this subdivision, acquired on
635 or after July 1, 1992, by the person claiming exemption under this
636 subdivision, provided this exemption shall only be applicable in the
637 five full assessment years following the assessment year in which such
638 machinery or equipment is acquired, subject to the provisions of
639 subparagraph (B) of this subdivision. [Machinery and equipment
640 acquired on or after July 1, 1996, and used in connection with
641 biotechnology shall qualify for the exemption under this subsection.]
642 For assessment years commencing on and after October 1, 2007, any
643 machinery and equipment, including machinery and equipment used
644 in connection with biotechnology, owned by the person claiming
645 exemption, shall be exempt under this section. For the purposes of this
646 subdivision: (i) "Machinery" and "equipment" means tangible personal
647 property which is installed in a manufacturing facility and claimed on
648 the owner's federal income tax return as either five-year property or
649 seven-year property, as those terms are defined in Section 168(e) of the
650 Internal Revenue Code of 1986, or any subsequent corresponding
651 internal revenue code of the United States, as from time to time

652 amended, and the predominant use of which is for manufacturing,
653 processing or fabricating; for research and development, including
654 experimental or laboratory research and development, design or
655 engineering directly related to manufacturing; for the significant
656 servicing, overhauling or rebuilding of machinery and equipment for
657 industrial use or the significant overhauling or rebuilding of other
658 products on a factory basis; for measuring or testing or for metal
659 finishing; or used in the production of motion pictures, video and
660 sound recordings. "Machinery" means the basic machine itself,
661 including all of its component parts and contrivances such as belts,
662 pulleys, shafts, moving parts, operating structures and all equipment
663 or devices used or required to control, regulate or operate the
664 machinery, including, without limitation, computers and data
665 processing equipment, together with all replacement and repair parts
666 therefor, whether purchased separately or in conjunction with a
667 complete machine, and regardless of whether the machine or
668 component parts thereof are assembled by the taxpayer or another
669 party. "Equipment" means any device separate from machinery but
670 essential to a manufacturing, processing or fabricating process. (ii)
671 "Manufacturing facility" means that portion of a plant, building or
672 other real property improvement used for manufacturing, processing
673 or fabricating, for research and development, including experimental
674 or laboratory research and development, design or engineering
675 directly related to manufacturing, for the significant servicing,
676 overhauling or rebuilding of machinery and equipment for industrial
677 use or the significant overhauling or rebuilding of other products on a
678 factory basis, for measuring or testing or for metal finishing. (iii)
679 "Manufacturing" means the activity of converting or conditioning
680 tangible personal property by changing the form, composition, quality
681 or character of the property for ultimate sale at retail or use in the
682 manufacturing of a product to be ultimately sold at retail. Changing
683 the quality of property shall include any substantial overhaul of the
684 property that results in a significantly greater service life than such
685 property would have had in the absence of such overhaul or with
686 significantly greater functionality within the original service life of the

687 property, beyond merely restoring the original functionality for the
688 balance of the original service life. (iv) "Fabricating" means to make,
689 build, create, produce or assemble components or tangible personal
690 property work in a new or different manner, but does not include the
691 presorting, sorting, coding, folding, stuffing or delivery of direct or
692 indirect mail distribution services. (v) "Processing" means the physical
693 application of the materials and labor in a manufacturing process
694 necessary to modify or change the characteristics of tangible personal
695 property. (vi) "Measuring or testing" includes both nondestructive and
696 destructive measuring or testing, and the alignment and calibration of
697 machinery, equipment and tools, in the furtherance of the
698 manufacturing, processing or fabricating of tangible personal property.
699 (vii) "Biotechnology" means the application of technologies, including
700 recombinant DNA techniques, biochemistry, molecular and cellular
701 biology, genetics and genetic engineering, biological cell fusion
702 techniques, and new bioprocesses, using living organisms, or parts of
703 organisms, to produce or modify products, to improve plants or
704 animals, to develop microorganisms for specific uses, to identify
705 targets for small molecule pharmaceutical development, or to
706 transform biological systems into useful processes and products;

707 (B) Any person who on October first in any year holds title to
708 machinery and equipment for which such person desires to claim the
709 exemption provided in this subdivision shall file with the assessor or
710 board of assessors in the municipality in which the machinery or
711 equipment is located, on or before the first day of November in such
712 year, a list of such machinery or equipment together with written
713 application claiming such exemption on a form prescribed by the
714 Secretary of the Office of Policy and Management. Such application
715 shall include the taxpayer identification number assigned to the
716 claimant by the Commissioner of Revenue Services and the federal
717 employer identification number assigned to the claimant by the
718 Secretary of the Treasury. If title to such equipment is held by a person
719 other than the person claiming the exemption, the claimant shall
720 include on such person's application information as to the portion of

721 the total acquisition cost incurred by such person, and on or before the
722 first day of November in such year, the person holding title to such
723 machinery and equipment shall file a list of such machinery with the
724 assessor of the municipality in which the manufacturing facility of the
725 claimant is located. Such person shall include on the list information as
726 to the portion of the total acquisition cost incurred by such person.
727 Commercial or financial information in any application or list filed
728 under this section shall not be open for public inspection, provided
729 such information is given in confidence and is not available to the
730 public from any other source. The provisions of this subdivision
731 regarding the filing of lists and information shall not supersede the
732 requirements to file tax lists under sections 12-41, 12-42 and 12-57a. In
733 substantiation of such claim, the claimant and the person holding title
734 to machinery and equipment for which exemption is claimed shall
735 present to the assessor or board of assessors such supporting
736 documentation as said secretary may require, including, but not
737 limited to, invoices, bills of sale, contracts for lease and bills of lading
738 and shall, upon request, present to the secretary or the secretary's
739 designee a copy of each applicable federal income tax return and
740 accompanying schedules. In lieu of submitting each applicable federal
741 income tax return and accompanying schedules, a claimant and person
742 holding title to machinery and equipment for which an exemption is
743 claimed may, upon approval of said secretary, submit copies of
744 applicable schedules accompanied by a sworn affidavit stating that
745 such schedules were filed as part of such claimant's or person's federal
746 income tax return. Failure to file such application in this manner and
747 form within the time limit prescribed shall constitute a waiver of the
748 right to such exemption for such assessment year, unless an extension
749 of time is allowed pursuant to section 12-81k. If title to exempt
750 machinery is conveyed subsequent to October first in any assessment
751 year, entitlement to such exemption shall terminate for the next
752 assessment year and there shall be no pro rata application of the
753 exemption unless such machinery or equipment continues to be leased
754 by the manufacturer who claimed and was approved for the
755 exemption in the previous assessment year. Machinery or equipment

756 shall not be eligible for exemption upon transfer from a seller to a
757 related business or from a lessor to a lessee except to the extent it
758 would have been eligible for exemption by the seller or the lessor, as
759 the case may be. For the purposes of this subdivision, "related
760 business" means: (i) A corporation, limited liability company,
761 partnership, association or trust controlled by the taxpayer; (ii) an
762 individual, corporation, limited liability company, partnership,
763 association or trust that is in control of the taxpayer; (iii) a corporation,
764 limited liability company, partnership, association or trust controlled
765 by an individual, corporation, limited liability company, partnership,
766 association or trust that is in control of the taxpayer; or (iv) a member
767 of the same controlled group as the taxpayer. For purposes of this
768 subdivision, "control", with respect to a corporation, means ownership,
769 directly or indirectly, of stock possessing fifty per cent or more of the
770 total combined voting power of all classes of the stock of such
771 corporation entitled to vote. "Control", with respect to a trust, means
772 ownership, directly or indirectly, of fifty per cent or more of the
773 beneficial interest in the principal or income of such trust. The
774 ownership of stock in a corporation, of a capital or profits interest in a
775 partnership or association or of a beneficial interest in a trust shall be
776 determined in accordance with the rules for constructive ownership of
777 stock provided in Section 267(c) of the Internal Revenue Code of 1986,
778 or any subsequent corresponding internal revenue code of the United
779 States, as from time to time amended, other than paragraph (3) of said
780 Section 267(c);

781 (C) Any person claiming the exemption provided under this
782 subdivision for machinery or equipment shall not be eligible to claim
783 the exemption provided under subdivision (60) of this section or
784 subdivision (70) of this section for the same machinery or equipment.
785 The state and the municipality and district shall hold a security
786 interest, as defined in subdivision (35) of subsection (b) of section 42a-
787 1-201, as amended, in any machinery or equipment which is exempt
788 from taxation pursuant to this subdivision, in an amount equal to the
789 tax revenue reimbursed or lost, as the case may be, which shall be

790 subordinate to any purchase money security interest, as defined in
791 section 42a-9-103a. Such security interest shall be enforceable against
792 the claimant for a period of five years after the last assessment year in
793 which such exemption was received in any case in which such person
794 ceases all manufacturing or biotechnology operations or moves such
795 manufacturing or biotechnology operations entirely out of this state.
796 Any assessor who has granted an exemption under this subdivision
797 shall provide written notification to the secretary of the cessation of
798 such operations or the move of such operations entirely out of this
799 state. Such notification may be made at any time after the October first
800 of the last assessment year in which such exemption is granted and
801 before the September thirtieth that is five years after the conclusion of
802 said assessment year. Upon receiving such notification and complying
803 with the provisions of section 12-35a, the state shall have a lien upon
804 the machinery or equipment situated in this state and owned by the
805 person that ceased all business operations or moved such operations
806 entirely out of this state. Notwithstanding the provisions of section 12-
807 35a, the total amount of the reimbursement made by the state for the
808 property tax exemptions granted to the person under the provisions of
809 this subdivision, shall be deemed to be the amount of the tax which
810 such person failed to pay. Notwithstanding said section 12-35a, the
811 information required to be included in the notice of lien for such tax
812 shall be as follows: (i) The owner of the property upon which the lien
813 is claimed, (ii) the business address or residence address of such
814 owner, (iii) the specific property claimed to be subject to such lien, (iv)
815 the location of such property at the time it was last made tax-exempt
816 pursuant to this subdivision, (v) the total amount of the
817 reimbursement made by the state for the property tax exemptions
818 granted to such owner under the provisions of this subdivision, and
819 (vi) the tax period or periods for which such lien is claimed. If more
820 than one agency of the state perfects such a notice of lien on the same
821 day, the priority of such liens shall be determined by the time of day
822 such liens were perfected, and if perfected at the same time, the lien for
823 the highest amount shall have priority. In addition to the other
824 remedies provided in this subdivision, the Attorney General, upon

825 request of the secretary, may bring a civil action in a court of
826 competent jurisdiction to recover the amount of tax revenue
827 reimbursed by the state from any person who received an exemption
828 under this subdivision. The following shall not be eligible for the
829 exemption provided under this subdivision: (I) A public service
830 company, as defined in section 16-1, as amended; and (II) any
831 provider, directly or indirectly, of electricity, oil, water or gas;

832 (D) A claim for property tax exemption under this subdivision may
833 be denied by the assessor or board of assessors of a town, consolidated
834 town and city or consolidated town and borough, with the consent of
835 the chief executive officer thereof, if the claimant is delinquent in a
836 property tax payment to such town, consolidated town and city or
837 consolidated town and borough, pursuant to section 12-146, for
838 property owned by such claimant. Before any such claim is denied, the
839 assessor or board of assessors shall send written notice to the claimant,
840 stating that the claimant may pay the amount of such delinquent tax or
841 enter into an agreement with such town, consolidated town and city or
842 consolidated town and borough for the payment thereof, by the date
843 set forth in such notice, provided, such date shall not be less than thirty
844 days after the date of such notice. Failure on the part of the claimant to
845 pay the amount of the delinquent tax or enter into an agreement to pay
846 the amount thereof by said date shall result in a disallowance of the
847 exemption being claimed;

848 (E) The secretary, in the secretary's discretion, may deny any claim
849 for exemption under the provisions of this subdivision for [new]
850 machinery and equipment by a claimant who is delinquent in the
851 payment of corporation business tax imposed under chapter 208, as
852 reported on the list provided by the Commissioner of Revenue
853 Services pursuant to subsection (b) of section 12-7a and who qualified
854 for exemption under this subdivision in the preceding year. On or
855 before September first annually, commencing September 1, 1998, the
856 secretary shall send a written notice to any claimant identified on said
857 list and to the assessor of the town in which the property is subject to

858 taxation, stating that the property tax exemption allowed by this
859 subdivision for the assessment date following the date on which such
860 notice is sent, shall be denied by the assessor of the town in which the
861 property of the taxpayer is subject to taxation unless the taxpayer
862 provides written documentation from the Department of Revenue
863 Services that the delinquency has been cleared. Such written
864 documentation shall substantiate that the delinquency was cleared on
865 or before the statutory date for the filing of an application for
866 exemption under this subdivision, provided, if a taxpayer receives an
867 extension of the filing date pursuant to section 12-81k, the date by
868 which the taxpayer shall be required to clear such tax delinquency
869 shall be extended for a like period of time. No assessor shall approve
870 an application for the exemption under this subdivision that is not
871 accompanied by the written documentation required from a claimant
872 who was sent a notification by the Secretary of the Office of Policy and
873 Management.

874 Sec. 25. Section 12-94b of the general statutes is repealed and the
875 following is substituted in lieu thereof (*Effective October 1, 2006, and*
876 *applicable to assessment years commencing on or after October 1, 2007*):

877 (a) On or before March fifteenth, annually, commencing March 15,
878 1998, the assessor or board of assessors of each municipality shall
879 certify to the Secretary of the Office of Policy and Management, on a
880 form furnished by said secretary, the amount of exemptions approved
881 under the provisions of subdivisions (72) and (74) of section 12-81, as
882 amended by this act, together with such supporting information as
883 said secretary may require including the number of taxpayers with
884 approved claims under said subdivisions (72) and (74) and the original
885 copy of the applications filed by them. Said secretary shall review each
886 such claim as provided in section 12-120b. Not later than December
887 first next succeeding the conclusion of the assessment year for which
888 the assessor approved such exemption, the secretary shall notify each
889 claimant of the modification or denial of the claimant's exemption, in
890 accordance with the procedure set forth in section 12-120b. Any

891 claimant aggrieved by the results of the secretary's review shall have
892 the rights of appeal as set forth in section 12-120b. With respect to
893 property first approved for exemption under the provisions of
894 subdivisions (72) and (74) of section 12-81, as amended by this act, for
895 the assessment years commencing on or after October 1, 2000, the
896 grant payable for such property to any municipality under the
897 provisions of this section shall be equal to eighty per cent of the
898 property taxes which, except for the exemption under the provisions of
899 subdivisions (72) and (74) of section 12-81, as amended by this act,
900 would have been paid. With respect to property approved for
901 exemption under the provisions of subdivision (72) of section 12-81, as
902 amended by this act, for the assessment years commencing on or after
903 October 1, 2007, the grant payable for such property to any
904 municipality under the provisions of this section shall be equal to one
905 hundred per cent of the property taxes which, except for the
906 exemption under the provisions of subdivision (72) of section 12-81, as
907 amended by this act, would have been paid. The secretary shall, on or
908 before December fifteenth, annually, certify to the Comptroller the
909 amount due each municipality under the provisions of this section,
910 including any modification of such claim made prior to December first,
911 and the Comptroller shall draw an order on the Treasurer on or before
912 the twenty-fourth day of December following and the Treasurer shall
913 pay the amount thereof to such municipality on or before the thirty-
914 first day of December following. If any modification is made as the
915 result of the provisions of this section on or after the December
916 fifteenth following the date on which the assessor has provided the
917 amount of the exemption in question, any adjustments to the amount
918 due to any municipality for the period for which such modification
919 was made shall be made in the next payment the Treasurer shall make
920 to such municipality pursuant to this section. The amount of the grant
921 payable to each municipality in any year in accordance with this
922 section shall be reduced proportionately in the event that the total of
923 such grants in such year exceeds the amount appropriated for the
924 purposes of this section with respect to such year. With respect to
925 property for which an exemption from the grand list on or after

926 October 1, 2007, was approved under subdivision (72) section 12-81, as
 927 amended by this act, any municipality may, by vote of its legislative
 928 body, levy a tax due with respect to such property, in an amount equal
 929 to not more than the difference between the amount of the grant
 930 payable for such property under this section and the amount of such
 931 grant reduced under the provisions of this section.

932 (b) As used in this section, "municipality" means each town, city,
 933 borough, consolidated town and city and consolidated town and
 934 borough and each district, as defined in section 7-324, and "next
 935 succeeding" means the second such date.

936 Sec. 26. Section 12-94c of the general statutes is repealed and the
 937 following is substituted in lieu thereof (*Effective October 1, 2006, and*
 938 *applicable to assessment years commencing on or after October 1, 2007*):

939 With respect to machinery or equipment exempt from property tax
 940 in accordance with subdivision (72) of section 12-81, as amended by
 941 this act, for purposes of the annual valuation required with respect to
 942 the determination of tax revenue loss required under section 12-94b, as
 943 amended by this act, the present true and actual value of such
 944 machinery or equipment shall be determined in relation to the cost of
 945 acquisition, including costs related to transportation and installation,
 946 and shall reflect depreciation in accordance with the following
 947 schedule:

T1	Assessment Year	Depreciated Value
T2	Following Acquisition	As Percentage Of Acquisition Cost Basis
T3		
T4	First	Ninety per cent
T5	Second	Eighty per cent
T6	Third	Seventy per cent
T7	Fourth	Sixty per cent
T8	Fifth	Fifty per cent

T9	<u>Sixth</u>	<u>Forty per cent</u>
T10	<u>Seventh</u>	<u>Thirty per cent</u>
T11	<u>Eighth</u>	<u>Twenty per cent</u>
T12	<u>Ninth and thereafter</u>	<u>Ten per cent</u>

948 Sec. 27. (*Effective July 1, 2006*) Connecticut Innovations,
 949 Incorporated, shall distribute funds received under section 29 of this
 950 act as follows: (1) Ten million dollars shall be used for early stage
 951 financing under section 8 of this act, and (2) twenty-five million dollars
 952 shall be used for other purposes of the corporation, as determined by
 953 the corporation.

954 Sec. 28. (*Effective from passage*) Notwithstanding any provision of the
 955 general statutes, for the fiscal year ending June 30, 2006, the sum of
 956 twenty-five million dollars shall be transferred from the resources of
 957 the General Fund and credited to the resources of Connecticut
 958 Innovations, Incorporated.

959 Sec. 29. (*Effective July 1, 2006*) The sum of thirty-five million dollars
 960 is appropriated to Connecticut Innovations, Incorporated, from the
 961 General Fund, for the fiscal year ending June 30, 2007, for the purposes
 962 of section 26 of this act.

963 Sec. 30. (*Effective from passage*) Notwithstanding any provision of the
 964 general statutes, for the fiscal year ending June 30, 2006, the sum of
 965 twenty-seven million five hundred thousand dollars shall be
 966 transferred from the resources of the General Fund and credited to the
 967 resources of the Connecticut Development Authority.

968 Sec. 31. (*Effective July 1, 2006*) The following amounts are
 969 appropriated, from the General Fund, for the fiscal year ending June
 970 30, 2007:

971 (1) Twenty-five million dollars to The University of Connecticut for
 972 the purposes of the eminent faculty recruitment program set forth in
 973 section 3 of this act, provided not more than five million dollars shall

974 be used in each fiscal year until the fiscal year ending June 30, 2012;

975 (2) Ten million dollars to The University of Connecticut for the
976 Center for Entrepreneurship at said university as set forth in section 4
977 of this act;

978 (3) Fifteen million dollars to Connecticut Innovations, Incorporated,
979 for the collaborative research grant program as provided in section 6 of
980 this act, provided not more than three million dollars shall be awarded
981 in any fiscal year;

982 (4) Twenty million dollars to Connecticut Innovations, Incorporated,
983 for grants to early stage companies as provided in section 8 of this act;
984 and

985 (5) Twenty-five million dollars to Connecticut Innovations,
986 Incorporated, for grants to small business incubators as provided in
987 section 10 of this act.

988 Sec. 32. (*Effective July 1, 2006*) The sum of five hundred thirty-five
989 thousand dollars is appropriated to the Office of Policy and
990 Management, from the General Fund, for the fiscal year ending June
991 30, 2007, for the Office of Commerce, established pursuant to section 20
992 of this act, provided two hundred fifty thousand dollars of such
993 amount shall be used for a grant to the Blue Ribbon Commission on
994 Economic Development for the purposes of section 17 of this act.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2006</i>	New section
Sec. 2	<i>July 1, 2006</i>	New section
Sec. 3	<i>July 1, 2006</i>	New section
Sec. 4	<i>July 1, 2006</i>	New section
Sec. 5	<i>July 1, 2006</i>	New section
Sec. 6	<i>July 1, 2006</i>	New section
Sec. 7	<i>July 1, 2006</i>	New section
Sec. 8	<i>July 1, 2006</i>	New section

Sec. 9	<i>July 1, 2006</i>	New section
Sec. 10	<i>July 1, 2006</i>	New section
Sec. 11	<i>July 1, 2006</i>	New section
Sec. 12	<i>July 1, 2006</i>	New section
Sec. 13	<i>July 1, 2006</i>	New section
Sec. 14	<i>July 1, 2006</i>	New section
Sec. 15	<i>July 1, 2006</i>	New section
Sec. 16	<i>July 1, 2006</i>	New section
Sec. 17	<i>from passage</i>	New section
Sec. 18	<i>from passage</i>	New section
Sec. 19	<i>from passage</i>	New section
Sec. 20	<i>July 1, 2006</i>	New section
Sec. 21	<i>July 1, 2006</i>	16a-27
Sec. 22	<i>July 1, 2006</i>	32-1b
Sec. 23	<i>July 1, 2006</i>	32-505
Sec. 24	<i>October 1, 2006, and applicable to assessment years commencing on or after October 1, 2007</i>	12-81(72)
Sec. 25	<i>October 1, 2006, and applicable to assessment years commencing on or after October 1, 2007</i>	12-94b
Sec. 26	<i>October 1, 2006, and applicable to assessment years commencing on or after October 1, 2007</i>	12-94c
Sec. 27	<i>July 1, 2006</i>	New section
Sec. 28	<i>from passage</i>	New section
Sec. 29	<i>July 1, 2006</i>	New section
Sec. 30	<i>from passage</i>	New section
Sec. 31	<i>July 1, 2006</i>	New section
Sec. 32	<i>July 1, 2006</i>	New section

CE

Joint Favorable Subst. C/R

FIN